

FCC's Review of the Broadcast Ownership Rules

FCC Consumer Facts

Background

As part of the 1996 Telecommunications Act, Congress mandated that the Federal Communications Commission (FCC) review its broadcast ownership rules to determine “whether any of such rules are necessary in the public interest as a result of competition.”

Rules

The six rules in question and the years of their original adoption are:

- **Newspaper/Broadcast Cross-Ownership Prohibition (1975)**
The newspaper/broadcast cross-ownership rule prohibits common ownership of a full-service broadcast station and a daily newspaper when the broadcast station’s service contour encompasses the newspaper’s city of publication.
- **Radio/TV Cross-Ownership Restriction (1970)**
The original radio/TV cross-ownership rule prohibited common ownership of a radio and TV station in the same market. The rule currently limits the number of radio and television stations one entity may own in a market. The rule allows common ownership of at least one television and one radio station in a market. In larger markets, a single entity may own additional radio stations depending on the number of other independently owned media outlets in the market.

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- **Local TV Multiple Ownership Rule (1964)**
The local TV ownership rule allows an entity to own two television stations in the same Designated Market Area (DMA) (as defined by Nielsen Media Research) provided; (1) at least one of the stations is not ranked among the four highest-ranked stations in the DMA (based on market share); and (2) at least eight independently-owned commercial or non-commercial broadcast television stations would remain in the DMA after the proposed combination. In 2002, a federal Court of Appeals remanded the local TV ownership rule to the FCC for further consideration.
- **Dual TV Network Rule (1946)**
The dual network rule originally prohibited any entity from maintaining more than a single radio network. A few years later, the rule was extended to television networks. Today, the dual network rule prohibits a merger between or among these four television networks: ABC, CBS, Fox, and NBC.

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Rules (cont'd.)

- Local Radio Ownership Rule (1941)**
 Initially, the FCC's local radio ownership rules prohibited common ownership of same service radio stations (AM or FM) that served substantially the same area. Currently, the FCC's local radio ownership rule imposes the following limitations: (1) in a radio market with 45 or more commercial radio stations, a party may own, operate, or control up to 8 commercial radio stations, not more than 5 of which are in the same service; (2) in a radio market with between 30 and 44 commercial radio stations, a party may own, operate, or control up to 7 commercial radio stations, not more than 4 of which are in the same service; (3) in a radio market with between 15 and 29 commercial radio stations, a party may own, operate, or control up to 6 commercial radio stations, not more than 4 of which are in the same service; and (4) in a radio market with 14 or fewer commercial radio stations, a party may own, operate, or control up to 5 commercial radio stations, not more than 3 of which are in the same service, except that a party may not own, operate, or control more than 50 percent of the stations in that market.

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12/01/05* - cpb

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- National TV Ownership Rule (1941)**
 When the FCC first adopted national ownership restrictions for television broadcast stations in 1941, it put numerical limits on the number of stations that could be commonly-owned. The rule has been amended a number of times thereafter to increase the permitted level of common ownership. Currently, the national TV ownership rule prohibits an entity from owning television stations that would reach more than 39% of U.S. television households. "Reach" is defined as the number of television households in the TV DMA to which each owned station is assigned. All TV households in the DMA are attributed to VHF stations; 50% of TV households in the DMA are attributed to UHF stations.

In 2002, a federal Court of Appeals reversed the FCC's decision in 2000 to retain a national television ownership limit, and sent the rule back to the FCC for further consideration.

For more information on the FCC's broadcast ownership rules and the pending reexamination of those rules, contact the FCC at www.fcc.gov/ownership or www.fcc.gov/mb/policy/own.html.

